

Chairperson: Chariman Lee Holloway  
Clerk: Delores "Dee" Hervey, 278-4230  
Research Analyst: Steve Cady, 278-4347

**COMMITTEE ON INTERGOVERNMENTAL RELATIONS**  
**Monday, Monday, February 26, 2007 - 10:00 A.M.**  
**Milwaukee County Courthouse - Room 201-B**

**MINUTES**

**PRESENT:** Supervisors Dimitrijevic, Nyklewicz, Borkowski, McCue, Weishan and Holloway (Chair)-6

**ABSENT:** Supervisor White-1

**Cassette Tapes 10-B-490-EOT & 11-A-01-522**

**SCHEDULED ITEMS:**

1. 07-112 Resolution from Supervisor Mayo requesting the State of Wisconsin grant Milwaukee County the authority to raise the County sales tax by up to an additional .25% and implement a surcharge on hotel/motel room rentals of up to 3% within Milwaukee County. In addition, grant Milwaukee County the ability to establish a segregated transit fund so that any additional funds carried over from one year is dedicated for the following year. **(Also to Committee on Transportation, Public Works and Transit)**

**10-B-492** Ms. Hervey stated that Supervisor Mayo had requested that this item be referred back to County Board Staff. She also indicated the Committee on Transportation, Public Works and Transit at its meeting of February 14, 2007, voted 6-0 to refer the matter to County Board staff, TPW and the County Executive appointee.

She also clarified how Supervisors White and Coggs-Jones names were added as co-sponsors.

Chairman Holloway referred the matter back to staff. There being no objection, it was so ordered.

**APPEARANCE(s):**

George Torres, Director, TPW

Sharon Woods, Director of Intergovernmental Relations, City of Milwaukee

**11-A-520** Mr. Torres read verbatim his response to Chairman Holloway's communications dated February 2 & 20, 2007 regarding the Regional Transit Authority (RTA).

Discussion ensued at length. There was some concern as it related to RTA priorities and what the County Board has adopted. The number one priority of the

## SCHEDULED ITEMS (CONTINUED):

RTA as far as Milwaukee County is concerned is to secure funding for the current expenses for the transit system now being borne by the property tax. Discussion ensued around the support for a new tax funding of the KRM and a 650% increase tax on car rentals to the detriment of rentals at the Airport. The Committee felt that this is not consistent with the adopted actions of the County Board. It was even suggested that perhaps Mr. Torres should resign as the representative for Milwaukee County on the RTA because he may not represent the County's position.

Supervisor Nyklewicz said the RTA was allowed to move forward prior to an agreement or settlement in terms of how the County pays for the current transit system. He felt the transit system is woefully unfunded and struggling to make ends meet. He continued that the County Executive's Budget in the last two years has had terrible consequences for transit. The County Board has stepped up and put additional levy dollars into the transit system.

Supervisor Weishan said the State could easily fund the KRM via its Department of Transportation budget. He wanted to know why this idea is not on the list of recommendations. If it is such a good economic deal for Southeastern Wisconsin, why don't they invest in it as they have invested in "highways to nowhere" in Northern Wisconsin? He said it appears that Milwaukee is always paying more when the real economics should be on the State. He posed the question that if the County Executive does not want a sales tax for the KRM, how does he want it funded?

- 10-B-656**    **ACTION BY: (Nyklewicz) Moved adoption of a resolution by the Committee that opposes the funding mechanism that has been set forth with regards to the KRM (\$13.00) increase in the car rental fees and indicated that the County's number one legislative priority remains finding a non-property tax funding source for supporting the operating expenses of the transit system.**
- 10-B-662**    Supervisor McCue requested division of the question. He felt it was two separate actions being voted on. The author of the motion did not want division on the motion.
- 10-B-680**    Supervisor Nyklewicz provided clarity for his motion. The reason for opposing the fees was because it did not link nor provide a funding mechanism for the current operating expenses of transit that is currently being paid for by the property taxes. In fact if the package had been skewed differently, the Board may have been more receptive to the alternative advanced by the RTA. However they ignored the adopted policy of the County Board, which was returned unsigned by the County Executive. This indicates that the policy is in full force and effect and that is why he is recommending the resolution.

## **SCHEDULED ITEMS (CONTINUED):**

Discussion continued that the proposed resolution would express opposition to the RTA's action that proposes a \$13.00 increase in the auto registration-car rental fees to pay for the KRM System. This would indicate that the number one legislative priority is to secure a non-property tax source of revenue to pay for the transit expenses currently being paid by property taxes.

- 10-B-692** Discussion ensued on the motion. It was determined by Chairman Holloway that the Committee could either vote the motion up or down.

Supervisor McCue said since it was lumped together, he supports the transit system and the RTA's number one legislative priority, which is to find funding for the transportation system.

- 10-B-711** Discussion ensued on the resolution adopted by the Common Council.

- 10-B-713** Ms. Cook stated the City adopted a similar resolution to find alternative funding for both KRM and the Transit System.

It was discussed that the Mayor signed a similar resolution indicating that one of his goals is to find dedicated funding for the Milwaukee County Transit System.

- 10-B-730** Chairman Holloway said he guided a coalition with the Aldermen and a joint meeting was held to approve such a resolution.

### **On the motion to approve a resolution By the Committee Vote 5-1**

**AYES:** Dimitrijevic, Nyklewicz, Borkowski, Weishan and Holloway (Chair)-5

**NOES:** McCue-1

Chairman Holloway said the money for the KRM came from Milwaukee County. The County contracted with Mueller Communications. They then took Kenosha and Racine Counties and made them whole and did not make Milwaukee County whole. Milwaukee County put all the money in except for \$50,000. Then lobbyists came to Milwaukee County to change things and the County received nothing after spending over \$600,000.

- 11-A-70** Mr. Torres was afforded an opportunity to state his personal views as to what he felt was the proper way to fund the transit system.

He stated that his position is to take forward the message from both the County Board and County Executive. He refrained from providing a position. However, he said the funding process is a problem that existed long before he came. The transit system has been on life support and using capitalized operations to supplement their budget for the last seven years. He felt the situation might get worse before it gets better.

## SCHEDULED ITEMS (CONTINUED):

**11-A-99** Mr. Torres said he continued to express to the RTA and KRM groups relative to the Mueller Group coming on board, that it should be understood, that this is not a lobbying group who supports KRM. It is a group to bring back information on all the topics taken up with the RTA. He said at the last meeting, staff was asked to go back and turn up every alternative and options for funding.

Mr. Torres said the group brought back to the table substantial data to make an informed decision. He further stated that he would continue to work hard and try to get the right answers to satisfy all the various interests involved with the process. He is in tune with the pulse of the Committee.

Supervisor McCue emphasized that the representative on the KRM Committee should be someone who follows the policies that have been adopted by this government.

**11-A-167** Supervisor Borkowski asked Mr. Torres to try and resurrect the existing gas tax because former administrations tried it. The State of Wisconsin has the fifth highest gasoline tax in the country at \$.32, which is all for road projects. He suggested a coalition go after what already is in place because this is not a new creation.

**11-A-231** Mr. Torres did mention that Brian Dranzik, County Board Analyst, had also attended the KRM meetings. He stated that he would forward a comprehensive list of viable items that have been considered and brought forth to the KRM Committee. The fuel tax is on that list.

In conclusion, Mr. Torres said he would continue to do what he could to address the issues raised by the IGR Committee.

Chairman Holloway suggested that Mr. Torres work with either Brian Dranzik or Steve Cady to review the KRM option list and the existing gas tax information for the Committee's review and consideration.

2. 07G1 From the Director, Division of Intergovernmental Relations, a verbal report on the major items in the Governor's 2007-2009 Bi-Annual Budget. **(FOR INFORMATION ONLY, UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

**11-A-302 APPEARANCE(s):**  
Roy de la Rosa, Director, Intergovernmental Relations  
Kelly Bablitch, Assistant Director, Intergovernmental Relations

Mr. de la Rosa gave a verbal overview of the Governor's Budget. It has been submitted as a Senate Bill. Six public hearings on the State budget are scheduled and Milwaukee's hearing will be held on March 20, 2007, at a site to be

## SCHEDULED ITEMS (CONTINUED):

determined. The hearings will conclude on April 12, 2007 in Green Bay.

There is an increase in real estate transfer fees to create a county aid fund. Basically the real estate transfer fee is doubled from \$3.00 per thousand to \$6.00 per thousand. This increase means the current local split of 80% local and 20% State is changed to a 90% State and 10% local. Milwaukee County would continue to receive the same amount of money locally. This would create a larger pot wherein the State creates a segregated county aid fund that goes to fund four components:

- Circuit Court Support Programs
- Youth Aids and County Aid Programs
- County Aid payments (currently known as shared revenue)
- Housing Trust Funds

Discussion ensued on the real estate transfer fee.

If the fee were to be increased and maintained at the same split, per Mr. de la Rosa, this would mean approximately \$6M for Milwaukee County. The net return for Milwaukee County under the Governor's proposal would be approximately \$3.5M to \$3.7M for Circuit Courts and \$1M for shared revenue, and the youth aid approximately \$12.7M. That needs to be qualified because the \$12.7M that comes to Milwaukee County would be hit with a substantial 30% increase the first year and 35% increase the second year with Juvenile Correction Incarceration (JCI) rates.

Chairman Holloway inquired of Mr. de la Rosa what the balance would be after the JCI rates.

Mr. de la Rosa responded that at the request of Representative Colon and Senator Taylor, a legislative fiscal bureau is being held to specifically provide papers to delineate and give breakouts of what that means to Milwaukee County.

Discussion ensued on the JCI rates. For example, an entity like Wales could charge the County a double amount, which results in \$100,000 per year for incarceration.

- 11-A-370** Supervisor Nyklewicz s said if the amount could be split and the County retains the fees that are earmarked already and have the flexibility to determine how to utilize it, perhaps the JCI rates could be designated as school districts. The State would then pay 2/3 costs of the schooling for those entities. Thereby the share remaining per counties would afford Milwaukee County enough money with the current rates being paid, to cover JCI.

## SCHEDULED ITEMS (CONTINUED):

Mr. de la Rosa stated the Governor's budget included language as it relates to a shortfall in the shared revenue payment. The Counties will be made whole.

- 11-A-425** Supervisor Weishan addressed funding formulas and real estate transfer fee increases. He felt that these formulas are not usually in the best interest of Milwaukee County and means that less money comes to Milwaukee County.

A special Wisconsin Counties Association (WCA) Board meeting will occur on March 19, 2007 in Southeastern Wisconsin to give further analysis and strategies on the Governor's proposed budget.

Currently, the Joint Finance Committee is comprised of eight Democrats and eight Republicans. In the past the co-chairs of the Joint Finance Committee have worked off the Governor's budget, which means it will take nine votes to take out or put anything into the Governor's budget. Also nine votes to maintain current law.

There is also a 2% increase for transportation, mass transit and paratransit in the Governor's budget. In addition some assistance provided in back filling the deficit hole provided by the Federal Government for child support enforcement.

- 11-A-486** Mr. de la Rosa stated that childcare is an area to be looked at because there does not appear to be adequate resources contained in the Governor's budget.

A request from the Governor's Task Force relating to the Pension Obligation Bonds is contained in the Governor's budget. A more detailed analysis will be forthcoming at the next IGR meeting.

Supervisor McCue suggested that the IGR Division work to maintain the 8.1% funding for federated library systems within Milwaukee County. It's an increase but it keeps Milwaukee County whole.

He also inquired about a report on a park district proposal. Mr. de la Rosa stated there is a draft proposal circulating in Madison asking for co-sponsorship for legislation to create a park district. It is on record that Milwaukee County opposed such an effort in July 2003 wherein the vote at that time was 17-6. It was vetoed. Mr. de la Rosa said the County's opposition would continue to be communicated as the issue is addressed.

Mr. de la Rosa commended Supervisor Dimitrijevic who has been talking to various legislators relative to the County's opposition to this matter.

- 11-A-508** Supervisor Nyklewicz inquired as to how much money the State put into capital construction programs for schools throughout the State. He said that is the reason

## SCHEDULED ITEMS (CONTINUED):

he suggested earlier to amend the reimbursement for the correctional institutions to make them school districts and eligible for reimbursement inasmuch as it has been a huge investment in capital infrastructure for school systems. The amount probably has been significant. This could possibly be a way to constrain some of the spending and provide relief to pay for some of the problems within Milwaukee County. He mentioned that someone in the Department of Public Instruction (DPI) could provide that number to IGR.

### **Staff Present:**

George Torres, Director of DTPW

Roy de la Rosa, Director, Intergovernmental Relations, County Board

Kelly Bablitch, Assistant Director, Intergovernmental Relations, County Board

Steve Cady, Fiscal and Budget Analyst, County Board

This meeting was recorded on tape, which is available for audit upon prior request of the Committee Clerk. The foregoing matters were not necessarily considered in agenda order. Committee "green files" contain copies of resolutions, amendments, ordinances, reports and correspondence, etc., which may be reviewed upon request of the Committee Clerk. The official copy of these minutes is available in the County Board office.

Adjourned: 11:00 a.m.

*Delores "Dee" Hervey*

Chief Committee Clerk

*ADA accommodation requests should be filed with the Milwaukee County Office for Persons with Disabilities, 278-3932 (voice) or 278-3937 (TTD), upon receipt of this notice.*

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